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CFW Report No. 25-A -- COMMUNIST CHINA

(June 2-8, 1952)

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SECRET

1. (1a) Economic Penetration:

Sian stated (June 4) that with completion of the Red Goose reservoir, work would begin soon on a reservoir along the Manass River in Sinkiang which could make the river navigable, as well as supply water for more than 3.5 million mou of land. Peking stated in numeral code (June 5) that the Tibet working team of the Central Government Committee of Culture and Education, after an extensive scientific survey of Tibet, had discovered hitherto uncharted deposits of coal, iron, and salt. Formerly the Tibetan people opposed expeditions by imperialist "scientists" and "explorers," properly detecting the "vicious plot," but they appreciated the Chinese expedition and gave it every assistance.

2. (1c) Soviet Technical Direction:

Peking reported in numeral code (June 2) that the Central Ministry of Fuel had discovered that senior and technical cadres and engineers, especially those educated in America, "obstinately clung" to bourgeois thoughts, with the resulting conflict between Chinese technical workers and Soviet advisers causing serious losses. Technical cadres and engineers had believed that only new mines, oil wells, and power plants could supply the power and fuel needed, and had urged more power-generating capacity, in spite of the fact that in the Peking-Tientsin-Tangshan area less than half the generating capacity was used 3 years ago.

In demanding new generators they gave no consideration "to rearranging all of the equipment of cities, and unifying power supply." Leading technicians of the Tientsin Electric Bureau and the Shihchingshan Power Plant openly disagreed with Soviet technicians, who disapproved of new generating equipment, and when Soviet experts suggested deepening the Feng Feng Colliery, Engineer Li Chien-chiao openly opposed it, and offered his resignation. Soviet technicians had to be sent to the mine three times to get changes in mining techniques. In addition, repair and reconstruction of many power and mining facilities "caused great loss to the State" because of a "lack of investigation and research."

Mukden (June 7) carried a commentary, "Eagerly Emulate the Chinese-Changchun Railway," stating that in 2 years Soviet experts had trained 16,000 Chinese technicians and introduced 130 progressive techniques on the railway, making it the Nation's model and clearly proving the fact that "we must emulate the USSR," though many backward cadres had "found difficulty" in carrying out Soviet technique and progressive experience. Tainan stated (June 4) that Wu Kuan-shang of the Tsingtao Rubber Works had saved the Government 6.59 billion yuan by adopting progressive Soviet methods of processing rubber.

Hangchow declared (June 4) that textile engineer Chou Feng-chin of the Chiufeng Mills in Chenhai, Chekiang, had adapted the mill's ginning machines to Soviet patterns, thus greatly increasing production. Shanghai reported (June 2) that worker Lu Ah-hong, model hardware factory worker, was made assistant factory manager of the Shanghai No. 2 Machine Works upon his return from Moscow, where he attended a youth rally.

3. (2d) Trade Stagnation:

Wuhan reported (June 3) that Deputy Chairman Teng Tzu-hui of the Central and South China Military and Administrative Committee had urged the committee to take action in promoting the sale of native products, "as the Nation's economy still is not sufficiently active." Workers were urged to "supervise capitalists," but to remember that they still should be assured lawful profits. Peking announced in numeral code (June 3) that 630 million yuan worth of slow-selling native products had been moved in Central and South China through use of letters and telegrams and the dispatching of cadres to East China and other places to find markets. Shanghai reported (June 5) that the East China Trade Conference had done 480 million yuan worth of business, 70 million through private firms.

4. (3b) Communist Dogma:

Peking reported in numeral code (June 7) that Soviet Ambassador Roschin presented Stalin

awards to Ting Ling and Chou Li-po. In accepting the awards, Ting Ling said that their works had been discussed by the Soviet Council, and "Stalin knew about them," while Chou declared that their great accomplishments were attributable to Soviet assistance and to China's emulation of USSR progressive experience.

Hangchow announced (June 4) that French Catholic worker (Lei Chien-kuei) had been expelled from Hangchow May 29 for "opposing the people's regime and creating discontent among patriotic Chinese Catholics." Chen Yu-shan, chairman of the Patriotic Chinese Catholic Association, issued a statement in support of the charges. Hangchow reported (June 4) that the local post office had issued a directive May 26 ordering post office employees to collect 2,500 new newspaper and magazine subscriptions.

5. (3c) Regimentation of Workers

Peking announced in numeral code (June 4) that of the 3,000 "progressive elements" discovered among Mukden workers during the anticorruption drive, 3,000 had been made union cadres and 1,300 given Government jobs, while 889 had given up shares in their employers' businesses which they had been "deceived by capitalists" into buying. Unions in private firms had recruited 14,390 members. Peking said (June 2) that the textile workers union had ordered workers to promote the Ho Chan-hai and 1951 production techniques, and had organized groups to make periodic checks to see that the techniques were carried out, and to "overcome any objections."

Tsinan announced (June 4) that the Shantung Finance and Economic Committee had called upon cadres to participate in the symposium sponsored by the IA CHUNG JIH PAC on "need for correct thinking in the proper performing of economic work." Wuhai announced (June 4) that workers in Changshu, Kiangsu, factories were promoting production by organizing inspection teams to "check on the quality of workers' production." Yangchow reported (June 5) that the Huainan Salt Administration had issued new salt processing permits for salt workers and arranged other work for those whose permits were not renewed.

Sian announced (June 2) that the workers' unions of the Northwest Petroleum Administration and the Yumen Petroleum Co. had built a sanatorium for oil workers to accommodate 60 persons, and would select model workers, members of production teams, and inventors of money-saving or labor-saving devices for vacations there.

6. (3c) Agricultural Remodeling

Shanghai (June 5) quoted from a letter by Chen Shang-ping, Chekiang model farmer and member of a Chinese farmers' delegation touring the USSR. Chen wrote that Minister Li of the Chinese Department of Agriculture instructed the departing delegation that they must "learn the progressive experience in mechanized farming in the USSR so that when they return they can make China follow the pattern of the USSR in mechanizing agriculture." The writer stressed the scientific progress of the USSR and the careful attention which the Russians gave to the group of Chinese farmers, destined to guide in remodeling Chinese agriculture in the Russian pattern.

Mukden reported (June 8) that in Shuangyang Hsien, Kirin, a mutual-aid team was organized as a cooperative, failed to function properly because the members lacked information, and was reorganized into two mutual-aid teams. Hangchow said (June 6) that in Chekiang the militia had been ordered to assist in "strengthening local security" by guarding against pirate raids along the coast and protecting the inland areas against counterrevolutionaries and lawless landlords, especially when shipments of grain were being made.

Peking stated in numeral code (June 8) that village credit cooperatives were being organized in Hupeh, as farmers lacked funds to proceed with production following land reform. Nanchang complained (June 3) that in Linchuan Hsien, Kiangsi, indoctrination of mutual-aid teams was necessary because peasants, when told that organized mutual-aid teams "could more easily secure relief in times of disaster," interpreted this to mean that members of mutual-aid teams "could go on a Government dole and refuse to work."

Chungking reported (June 2) that the Lu Chi-cheng mutual-aid team in Hanyuan Hsien, Sikang, disintegrated 2 weeks after it was organized because "those who did not work were getting more than those who did." In Chintang Hsien, Szechwan, a meeting was called May 21 to discuss disputes over water rights, which had led to the flooding of 32,000 mou of farm land and delayed cultivation of 7,000 mou. Chungking reported (June 4) that cadres in Ta and Nanchung Hsien, Szechwan, would organize given numbers of model farm hsiang, tsun, mutual-aid teams, families, and individuals, but promised that organization would be "on a democratic basis," and the peasants would "not be ordered to increase production."

Peking admitted in numeral code (June 8) that in the past farmers had failed to carry out their contracts for delivery of cotton, and blamed the failure on the excessive size of the contracts and "poor inspection" by cadres. Plans were outlined for preventing this failure during the coming season by placing both the handling of the cotton and the supplying of daily necessities for farmers, under rural cooperatives, which would be allowed to advance credit to farmers.

7. (4) Appeals to Border Minorities:

Wuhan reported (June 5) that cadres had been sent to Kwangsi to help the Mao and Yuo tribesmen organize autonomous Governments. Chungking announced (June 4) that in the Yunnan Hsien of Cheli, Nanchiao, Chenyueh, and Fohai, near the Burma border, people's consultative councils had been organized among 19 minority groups, and had adopted resolutions to promote farm production and "unite in defense of the Nation against American imperialist aggression." Sian stated (June 4) that Yen Cheng-han, chief of Chu 3 in predominantly Tibetan Kungho Hsien, Tsinghai, had gained popularity by distributing 290,000 catties of relief grain to destitute families in Kala Village, and by teaching Wuhua Village residents the "use of new farm implements which he had learned about from reading newspapers."